

# ISHWAR & GOPAL

CHARTERED ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

### **To the Members of Cerebra LPO India Limited Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of **Cerebra LPO India Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of financial position, financial performance including other comprehensive income, cash flows and changes in equities of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors as well as evaluating the overall presentation of the standalone Ind AS financial statements.





We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2018 and its loss, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

### Emphasis of Matter

Without qualifying our report, we draw attention to the following matters in notes to the standalone Ind AS financial statements:-

Note 24 of the stand alone financial statements relating to relating to trade receivables amounting to Rs. 682.15/-Lakhs which are outstanding for more than three years raising question over the recoverability of these dues. The management is confident of recovering the same either in cash or in kind and hence no provision is made in the accounts.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with relevant books of account.
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.
  - (e) The matters described in paragraph relating to Emphasis of Matter in our opinion may have an adverse effect on the functioning of the company.
  - (f) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 and taken on record by the Board of Directors, none of the other directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (g) With respect to the adequacy of the internal finance controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements- Refer Note 36.1 and 36.2 to the Standalone Ind AS financial statements.



- ii. The Company has made provisions as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts. We have been informed that the Company did not have any pending derivative contracts.
- iii. There is no amount due during the year that is required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December 2016, are not relevant to these standalone Ind AS financial statements. Hence, reporting under this clause is not applicable.

For Ishwar & Gopal,  
Chartered Accountants  
Registration No: 0011545



S Bhaskar  
Partner  
Membership No. 205977  
Bangalore, 30<sup>th</sup> May, 2018

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## ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

- i.
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. The fixed assets of the Company have been verified by the management during the year. No material discrepancies were noticed on such verification and the same have been properly dealt with in the books of account. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and nature of its business
  - c. As on balance sheet date no immovable properties are held in the name of the company.
- ii. The nature of operations of the Company do not involve any inventories and hence clause 3 (ii) of the Companies (Auditor's Report) Order 2016 is not applicable.
- iii. The company has not granted loans secured or unsecured to parties covered in the register maintained under Section 189 of the Act.
- iv. According to the information and explanations given to us, the Company has not made any loans, investments, guarantees and securities. Hence clause 3(iv) of the Companies (Auditor's Report) Order 2016 is not applicable.
- v. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not accepted any deposits and hence the requirement of clause 3 (v) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company during the year under review.
- vi. We have been informed that maintenance of books of accounts pursuant to the rules made by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 for maintenance of Cost records in respect of products of the Company are not applicable to the Company for the year under review and hence the requirement of clause 3 (vi) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company during the year under review.
- vii.
  - a. The Company has been generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable.
  - b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable in arrears as at March 31, 2018 for a period of more than six months from the date they became payable except as detailed hereunder.


| Name of the Statute | Nature of Due | Rs in Lakhs | Period for which it relates | Due Date      | Date of Payment                        |
|---------------------|---------------|-------------|-----------------------------|---------------|--|
| Finance Act, 1994   | Service Tax   | 98.60/-     | 2011-2017                   | Various dates | Not Paid as on the date of this report |



c. According to the information and explanation given to us, there are no disputed amounts of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited with the relevant authorities on account of any dispute

- viii. The Company does not have any loans or borrowings from any banks, financial institution, Government or Debenture holders during the year. Hence clause 3(viii) of the Companies (Auditor's Report) Order 2016 is not applicable.
- ix. In our opinion and according to the information and explanations given to us, during the year the Company did not raise any money by way of initial public offer, or further public offer (including debt instruments) or term loans. Accordingly, clause 3 (ix) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company during the year under review.
- x. According to the information and explanations given to us, no material frauds by the Company or on the Company by its officers and employees have been noticed or reported during the course of the audit.
- xi. According to the information and explanations given to us and based on our examination of records of the Company, the Company has not paid / provided for managerial remuneration during the year under review. Accordingly, clause 3 (xi) of Companies (Auditor's Report) Order, 2016 is not applicable.
- xii. In our opinion and according to the information and explanation given to us, the Company is not a nidhi Company. Accordingly, clause 3 (xii) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company during the year under review.
- xiii. According to the information and explanation given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non cash transactions with directors or persons connected with him. Accordingly, clause 3 (xv) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company during the year under review.
- xvi. According to the information and explanation given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India

For Ishwar & Gopal,  
Chartered Accountants  
Registration No: 001154S

  
S Bhaskar  
Partner

Membership No. 205977  
Bangalore, 30<sup>th</sup> May, 2018

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## **Annexure - B TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred in Para 2(g) under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

### **Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Cerebra LPO India Limited** ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control and financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.





### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

According to the information and explanation given to us and based on our audit, the following material weakness has been identified as at 31st March 2018.

According to the information and explanations given to us and based on our audit of the Company's internal financial control over advance payment for purchase of fixed assets, customer acceptance, credit evaluation and establishing customer credit limit for sales, were not operating effectively which could potentially result in recognizing revenue/ non provision for bad debts without establishing reasonable certainty of ultimate collection.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, because of the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has not maintained adequate and effective internal financial controls over financial reporting and such internal financial controls over financial reporting were not operating effectively as of March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2018, standalone financial statements of the Company, and the same is reported under emphasis of matters in our audit report of even date.

**For Ishwar & Gopal,**  
Chartered Accountants  
Registration No: 001154S



**S Bhaskar**  
Partner  
Membership No. 205977  
Bangalore, 30<sup>th</sup> May, 2018

**ISHWAR & GOPAL**  
Chartered Accountants  
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BANGALORE-560 002

**Note 1: Corporate Information**

Cerebra LPO India Limited is a company limited by shares, incorporated and domiciled in India having its Registered Office at S-5, Off 3rd Cross, Peenya Industrial Area, Peenya 1st Stage Bangalore - 560 058.

The company is a subsidiary of Cerebra Integrated Technologies Limited, a listed company. The company is engaged in the business of legal process, medical process, knowledge process outsourcing and other kind of business process outsourcing.

The financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorised for issue on May 30, 2018.

**Note 2: Basis of Preparation, Critical Accounting Estimates and Judgements, Significant Accounting Policies and Recent Accounting Pronouncements.****a. Basis of preparation****i. Compliance with Ind AS**

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 with effect from April 1, 2017. Previous periods have been restated to Ind AS. In accordance with Ind AS 101 First time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2017 and April 1, 2016 and of the total comprehensive income for the year ended March 31, 2017.

**ii. Convention**

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**b. Critical accounting estimates and judgements**

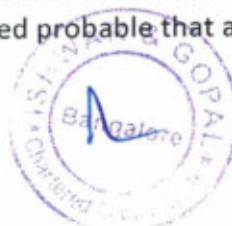
The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements





and the reported amounts of income and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- i. **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the useful life of property, plant and equipment and Intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.
- ii. **Impairment testing:** Property, plant and equipment and Intangible assets that are subject to amortisation/ depreciation are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- iii. **Impairment of investments:** The Company reviews its carrying value of investments carried at cost or amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- iv. **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Statement of Profit or Loss.  
Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.
- v. **Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be



made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

- vi. **Fair value measurement of financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements in selection of a method in making assumptions that are mainly based on market conditions existing at the Balance Sheet date and in identifying the most appropriate estimate of fair value when a wide range of fair value measurements are possible.

## **c. Significant Accounting Policies**

### **1. Revenue Recognition:**

#### **Income from operations:**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised upon rendering of the service, provided pervasive evidence of an arrangement exists, rates are fixed or are determinable and collectability is reasonably certain. Revenue from sales of goods or rendering of services is inclusive of excise duty, but net of GST, returns and discounts.

#### **Interest**

Interest income is accrued on a time proportion basis using the effective interest rate method.

#### **Dividend**

Dividend income is recognized when the Company's right to receive the amount is established.

### **2. Employee Benefits.**

#### **Provident Fund**

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the respective Regional Provident Fund Commissioner.





## **Gratuity**

The determined based on actuarial valuation using the project unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up final obligation. The obligation is measured in the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yield on the Government securities, of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date.

employee gratuity fund schemes are defined benefits plans. Wherever applicable, the present value of obligations under defined benefit plans is

## **Compensated Absences**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the Balance Sheet date.

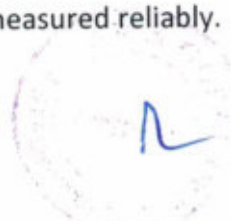
## **Short Term Obligations**

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related services. The accruals for employee entitlements of benefits such as salaries, bonuses and annual leave represent the amount which the Company has a present obligation to pay as a result of the employees' services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the Balance Sheet date.

### **3. Property, Plant and Equipment:**

Property, plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and accumulated impairment losses, if any. All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and non-refundable taxes, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs. Initial estimate of costs of dismantling and removing the item and restoring the site on which it is located is also included if there is an obligation to restore it.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.



Depreciation is charged to Statement of Profit and Loss so as to expense the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Freehold land is not depreciated.

The assets' useful lives and residual values are reviewed at the Balance Sheet date and the effects of any changes in estimates are accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2016 (transition date ) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Capital work in progress represents projects under which the property, plant and equipment are not yet ready for their intended use and are carried at cost determined as aforesaid.

#### **Intangible Assets:**

Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use.

Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible Assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

An intangible assets is derecognized on disposal, or when no future economic benefits are expected to arise from continued use of the asset. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

#### **Impairment of assets:**

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be





recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

#### **4. Foreign Currency Translation:**

The functional currency of the Company is Indian rupee (₹).

##### **Initial Recognition**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

##### **Subsequent Recognition**

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value denominated in a foreign currency are retranslated at the rates prevailing at the date when the fair value was determined.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.



**5. Assets taken on lease:**  
**Operating Lease**

A Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company is classified as operating lease. Payments made under operating lease are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

**6. Income Taxes and Deferred Taxes:**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

**Current tax:**

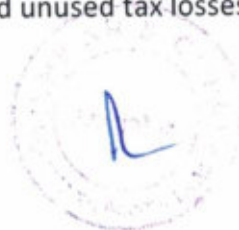
Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

**Deferred tax :**

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.





Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised. Deferred tax liabilities and assets are measured at tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit forming part of Deferred tax assets is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

## **7. Provisions and contingent liabilities:**

Provisions are recognised when the Company has a binding present obligation. This may be either legal because it derives from a contract, legislation or other operation of law, or constructive because the Company created valid expectations on the part of third parties by accepting certain responsibilities. To record such an obligation it must be probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. The amount recognised as a provision and the indicated time range of the outflow of economic benefits are the best estimate (most probable outcome) of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation, Noncurrent provisions are discounted if the impact is material.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.



## **8. Borrowing Costs:**

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit or Loss using the effective interest method.

## **9. Statement of Cash Flows:**

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

## **10. Earnings Per Share:**

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share.

## **11. Exceptional items:**

The company discloses certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of the underlying trading performance of the company and provides consistency with the company's internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the company. Exceptional items can include, but are not restricted to, gains and losses on the disposal of assets/ investments, impairment charges, exchange gain/ loss on long term borrowings/ assets and changes in fair value of derivative contracts.





## 12. Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

**13. Non-derivative financial instruments:**

### Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

### Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## Financial assets at fair value

Financial asset not measured at amortised cost is carried at fair value through profit or loss (FVTPL) on initial recognition, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investment in equity instruments which are not held for trading. Financial asset at FVTPL are measured at fair values at the end of each reporting period, with any gains or losses arising on re measurement recognised in profit or loss.

## Investment in subsidiaries

Investment in subsidiaries is carried at cost as per Ind AS 27 Separate Financial Statements.



## Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest rate method or at FVTPL. Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised in a business combination, or is held for trading or it is designated as FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re measurement recognised in profit and loss. Check Sentence

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

## Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired.

### d. Recent Pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from 1 April 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant."

### Ind AS 115

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1 April 2018. Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the





Company from 1 April 2018. The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 115 is expected to be insignificant”



**Cerebra LPO India Limited**  
**Balance Sheet as on 31st March 2018**

INR in Lakhs

| Particulars                         | Note No | 31-03-2018    | 31-03-2017    | 04-01-2016    |
|-------------------------------------|---------|---------------|---------------|---------------|
| <b>Assets</b>                       |         |               |               |               |
| <b>Non current Assets</b>           |         |               |               |               |
| Property plant and equipment        | 3       | 8.18          | 12.39         | 16.60         |
| <b>Financial Assets</b>             |         |               |               |               |
| Loans and advances                  | 4       | 0.07          | 0.03          | 25.03         |
| <b>Current assets</b>               |         |               |               |               |
| <b>Financial assets</b>             |         |               |               |               |
| i) Trade receivables                | 5       | 693.70        | 694.08        | 703.48        |
| ii) Cash and cash equivalents       | 6       | 0.80          | 2.05          | 2.81          |
| Other current assets                | 7       | 18.99         | 20.70         | 21.63         |
| <b>Total Assets</b>                 |         | <b>721.74</b> | <b>729.25</b> | <b>769.55</b> |
| <b>Equity and liabilities</b>       |         |               |               |               |
| Equity share capital                | 8       | 5.00          | 5.00          | 5.00          |
| Other equity                        | 9       | 4.47          | 13.08         | 42.40         |
| <b>Non current liabilities</b>      |         |               |               |               |
| Employee benefit obligation         | 10      | 4.09          | 4.69          | 5.51          |
| <b>Current liabilities</b>          |         |               |               |               |
| <b>Financial liabilities</b>        |         |               |               |               |
| i) Borrowings                       | 11      | 597.23        | 592.89        | 612.39        |
| ii) Trade payable                   | 12      | -             | 0.28          | 2.87          |
| iii) Other financial liabilities    | 13      | 5.30          | 8.08          | 12.10         |
| Employee benefit obligation         | 14      | 6.31          | 7.81          | 5.20          |
| Other current liabilities           | 15      | 99.33         | 97.41         | 84.07         |
| <b>Total equity and liabilities</b> |         | <b>721.74</b> | <b>729.25</b> | <b>769.55</b> |

See accompanying notes to the financial statements

1-34

As per our attached report of even date

For Ishwar & Gopal  
Chartered Accountants



S. Bhaskar  
Partner  
M.No. 205977  
Firm Reg. No: 0011545

For and on behalf of the Board



V. Ranganathan  
Director  
DIN : 01247305



Shridhar S Hegde  
Director  
DIN: 01247342

Place: Bengaluru,  
Dated: 30th May 2018

**ISHWAR & GOPAL**  
Chartered Accountants  
Sri Vinayaka Building  
21/3, T.S.P. Road, Katasipalyam  
BANGALORE-560 002



**Cerebra LPO India Limited**  
**Statement of Profit or loss for the Year Ended 31st March 2018**

INR in Lakhs

| Particulars                                    | Notes to first time adoption | For the Year ended 31-03-2018 | For the Year ended 31-03-2017 |
|--|------------------------------|-------------------------------|-------------------------------|
| <b>Continuing operations</b>                   |                              |                               |                               |
| Revenue from operations                        | 16                           | 57.23                         | 107.81                        |
| Other income                                   | 17                           | 0.31                          | 0.42                          |
| <b>Total Income</b>                            |                              | <b>57.54</b>                  | <b>108.24</b>                 |
| <b>Expenses</b>                                |                              |                               |                               |
| Employee Benefit Expenses                      | 18                           | 40.19                         | 74.46                         |
| Finance costs                                  | 19                           | 2.32                          | 0.57                          |
| Depreciation and amortisation expenses         | 2                            | 4.21                          | 4.21                          |
| Other Expenses                                 | 20                           | 21.56                         | 57.76                         |
| <b>Total Expenses</b>                          |                              | <b>68.28</b>                  | <b>136.99</b>                 |
| <b>Profit before exceptional items and tax</b> |                              | <b>-10.74</b>                 | <b>-28.75</b>                 |
| Exceptional Item                               |                              | -                             | -                             |
| <b>Profit before tax</b>                       |                              | <b>-10.74</b>                 | <b>-28.75</b>                 |
| Income tax Expenses                            |                              |                               |                               |
| Income Tax                                     |                              | -                             | -                             |
| <b>Total Tax Expenses</b>                      |                              | <b>-</b>                      | <b>-</b>                      |
| <b>Profit from continuing operations</b>       |                              | <b>-10.74</b>                 | <b>-28.75</b>                 |
| Other Comprahensive Income                     | 21                           | 2.12                          | -0.56                         |
| <b>Total Comprahensive Income</b>              |                              | <b>-8.62</b>                  | <b>-29.32</b>                 |

See accompanying notes to the financial statements 1-34

As per our attached report of even date

For Ishwar & Gopal  
Chartered Accountants



S. Bhaskar  
Partner  
M.No. 205977  
Firm Reg. No: 001154S

For and on behalf of the Board



V. Ranganathan  
Director  
DIN : 01247305



Shridhar S Hegde  
Director  
DIN: 01247342

Place: Bengaluru,  
Dated: 30th May 2018

**ISHWAR & GOPAL**  
Chartered Accountants  
Sri Vinayaka Building  
2nd, L.S.P. Road, Kumbhari Hall  
BANGALORE-560 062

**Cerebra LPO India Limited**  
**Cash flow Statement for the Year Ended 31st March 2018**

INR in Lakhs

| Particulars   | 2017-18 |              | 2016-17 |              |
|---|---------|--------------|---------|--------------|
|   | Rs.     | Rs.          | Rs.     | Rs.          |
| <b>A.Cashflow from operating activities</b>                         |         |              |         |              |
| Net profit before tax   |         | -10.74       |         | -28.75       |
| Adjustments for:  |         |              |         |              |
| Depreciation(net)   | 4.21    |              | 4.21    |              |
| Interest expenditure  | 0.33    |              | 0.00    |              |
| Interest income   | -0.11   |              | -0.24   |              |
| Operating profit/(Loss)before working capital changes               |         | -6.31        |         | -24.79       |
| Adjustments for changes in :  |         |              |         |              |
| (Increase)/Decrease in Trade & other recivables                     | -2.27   |              | 38.50   |              |
| Increase/(Decrease) in Trade & Other Payable                        | 3.21    |              | -11.55  |              |
|   |         | 0.93         |         | 26.96        |
| Cash generated from operations                                      |         | -5.38        |         | 2.17         |
| Income tax paid(net)  |         | -            |         | -3.17        |
| <b>Net cashflow from operating activities</b>                       |         | <b>-5.38</b> |         | <b>-1.00</b> |
| <b>B.Cashflow from investing activities</b>                         |         |              |         |              |
| Interest income   | 0.11    |              | 0.24    |              |
| <b>Net cash used in investing activities</b>                        |         | <b>0.11</b>  |         | <b>0.24</b>  |
| <b>C.Cashflow from Financing activities</b>                         |         |              |         |              |
| Loan from Holding Company   | 4.34    |              | -       |              |
| Interest paid   | -0.33   |              | -0.00   |              |
| <b>Net cash used in Financing activities</b>                        |         | <b>4.01</b>  |         | <b>-0.00</b> |
| <b>Net increase/(Decrease)in Cash &amp; Cash equivalents(A+B+C)</b> |         | <b>-1.25</b> |         | <b>-0.76</b> |
| Cash &Cash equivalents  |         |              |         |              |
| Opening balance   |         | 2.05         |         | 2.81         |
| Closing balance   |         | 0.80         |         | 2.05         |
| <b>Net increase/Decrease in cash and cash equivalents</b>           |         | <b>-1.25</b> |         | <b>-0.76</b> |

See accompanying notes to the financial statements

As per our attached report of even date

For Ishwar & Gopal  
Chartered Accountants



S. Bhaskar  
Partner  
M.No. 205977  
Firm Reg. No: 0011545

For and on behalf of the Board



V. Ranganathan  
Director  
DIN : 01247305



Shridhar S Hegde  
Director  
DIN: 01247342

Place: Bengaluru,  
Dated: 30th May 2018

**ISHWAR & GOPAL**  
Chartered Accountants  
Sri Vinayaka Building  
21/3, T.S.P. Road, Kalasipalyam  
BANGALORE-560 002



**Cerebra LPO India Limited**  
**Statement of Changes In Equity**

**A)Equity Share Capital**

| Equity shares of INR 10 each issued,subscribed and fully paid | Number | INR in Lakhs |
|---|--------|--------------|
|   |        | Amount       |
| On 1st April 2016   | 50,000 | 5.00         |
| Issue of share Capital  | -      | -            |
| Add:- Forfeited Shares  | -      | -            |
| Balance at March 31,2017                                      | 50,000 | 5.00         |
| Issue of share Capital  | -      | -            |
| Balance at March 31,2018                                      | 50,000 | 5.00         |

**B)Other equity**

| Particulars   | Retained earnings | Other<br>Comprehensive<br>Income | INR in Lakhs |
|---|-------------------|----------------------------------|--------------|
|   |                   |                                  | Total        |
| Balance at April 1, 2016  | 42.40             | -                                | 42.40        |
| Profit for the year/Additions during the Year                         | -28.75            | -                                | -28.75       |
| Re-measurement gains/(Losses) on defined benefit plans, net of tax    | -                 | -0.56                            | -0.56        |
| Balance as at March 31, 2017  | 13.65             | -0.56                            | 13.08        |
| Profit for the year/Additions during the Year                         | -10.74            | -                                | -10.74       |
| Re-Measurement of gains /(losses)on defined benefit plans ,net of tax | -                 | 2.12                             | 2.12         |
| Balance at March 31, 2018   | 2.91              | 1.56                             | 4.47         |

See accompanying notes to the financial statements

As per our attached report of even date

For Ishwar & Gopal  
Chartered Accountants

For and on behalf of the Board

S. Bhaskar  
Partner

M.No. 205977

Firm Reg. No: 0011545



V. Ranganathan

Director

DIN : 01247305



Shridhar S Hegde

Director

DIN: 01247342

Place: Bengaluru,

Dated: 30th May 2018

**ISHWAR & GOPAL**

Chartered Accountants

Sri Vinayaka Building

21/3 T S.P. Road,Kalasipalyam

BANGALORE-560 002

## 2 Property, Plant and Equipment

INR In Lakhs

| Particulars                                      | Office Equipment | Electrical Installations | Furniture and Fixtures | Total        |
|--|------------------|--------------------------|------------------------|--------------|
| <b>Carrying Amount (Gross Block)</b>             |                  |                          |                        |              |
| Balance as at 1st April 2016                     | 0.03             | 6.53                     | 10.04                  | 16.60        |
| Additions  |                  |                          |                        | -            |
| Deductions/ Adjustment                           |                  |                          |                        | -            |
| <b>Balance as at 31st March 2017</b>             | <b>0.03</b>      | <b>6.53</b>              | <b>10.04</b>           | <b>16.60</b> |
| <b>Accumulated Depreciation</b>                  |                  |                          |                        |              |
| Balance as at 1st April 2016                     | -                | -                        | -                      | -            |
| Additions  | 0.02             | 1.54                     | 2.66                   | 4.21         |
| Deductions/ Adjustment                           | -                | -                        | -                      | -            |
| <b>Balance as at 31st March 2017</b>             | <b>0.02</b>      | <b>1.54</b>              | <b>2.66</b>            | <b>4.21</b>  |
| <b>Gross Block</b>                               |                  |                          |                        |              |
| Balance as at 31st March 2017                    | 0.03             | 6.53                     | 10.04                  | 16.60        |
| Additions  | -                | -                        | -                      | -            |
| Deductions/ Adjustment                           | -                | -                        | -                      | -            |
| <b>Balance as at 31st March 2018</b>             | <b>0.03</b>      | <b>6.53</b>              | <b>10.04</b>           | <b>16.60</b> |
| <b>Accumulated Depreciation</b>                  |                  |                          |                        |              |
| Balance as at 31st March 2017                    | 0.02             | 1.54                     | 2.66                   | 4.21         |
| Additions  | 0.01             | 1.54                     | 2.66                   | 4.21         |
| Deductions/ Adjustment                           | -                | -                        | -                      | -            |
| <b>Balance as at 31st March 2018</b>             | <b>0.03</b>      | <b>3.07</b>              | <b>5.31</b>            | <b>8.41</b>  |
| <b>Net carrying amount as at 1st April 2016</b>  | <b>0.03</b>      | <b>6.53</b>              | <b>10.04</b>           | <b>16.60</b> |
| <b>Net carrying amount as at 31st March 2017</b> | <b>0.01</b>      | <b>5.00</b>              | <b>7.38</b>            | <b>12.39</b> |
| <b>Net carrying amount as at 31st March 2018</b> | <b>-</b>         | <b>3.46</b>              | <b>4.72</b>            | <b>8.18</b>  |

\* On transition to Ind AS, the carrying values of all property, plant and equipments under the previous GAAP have been considered to be the deemed cost under Ind AS.





Cerebra LPO India Limited  
NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31st March 2018

INR in Lakhs

| Note Number | Particulars                                    | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|-------------|--|-----------------------|-----------------------|----------------------|
| 4           | <b>Loans and Advances</b>                      |                       |                       |                      |
|             | Security Deposits considered good              | 0.07                  | 0.03                  | 25.03                |
|             | <b>Total</b>                                   | <b>0.07</b>           | <b>0.03</b>           | <b>25.03</b>         |
| 5           | <b>Trade Receivables</b>                       |                       |                       |                      |
|             | Unsecured- Considered good                     | 693.69                | 694.08                | 703.48               |
|             | Unsecured- Considered doubtful                 | 28.70                 | 28.70                 | 28.70                |
|             | Sub Total                                      | 722.40                | 722.78                | 732.18               |
|             | Less : Provision for Allowances                | -28.70                | -28.70                | -28.70               |
|             | <b>Total</b>                                   | <b>693.70</b>         | <b>694.08</b>         | <b>703.48</b>        |
| 6           | <b>Cash and Cash Equivalents</b>               |                       |                       |                      |
|             | <b>A) Balances with Banks</b>                  |                       |                       |                      |
|             | i) In Current Account with scheduled bank      | 0.67                  | 1.86                  | 0.71                 |
|             | <b>B) Cash in Hand</b>                         |                       |                       |                      |
|             | i) In Indian Rupee                             | -                     | 0.08                  | 1.97                 |
|             | i) In Foreign currency                         | 0.12                  | 0.11                  | 0.13                 |
|             | <b>Total</b>                                   | <b>0.80</b>           | <b>2.05</b>           | <b>2.81</b>          |
| 7           | <b>Other Current Assets</b>                    |                       |                       |                      |
|             | Advance Income tax / TDS (net)                 | 2.18                  | 3.17                  | 4.45                 |
|             | Balance with statutory/ Government authorities | 2.45                  | 3.27                  | 2.87                 |
|             | Prepaid Expenses                               | -                     | -                     | 0.05                 |
|             | Advance to Suppliers                           | 14.36                 | 14.26                 | 14.26                |
|             | <b>Total</b>                                   | <b>18.99</b>          | <b>20.70</b>          | <b>21.63</b>         |

INR in Lakhs

**8 Equity Share Capital**

| Particulars  | As at 31st March 2018 |             | As at 31st March 2017 |             | As at 1st April 2016 |             |
|--|-----------------------|-------------|-----------------------|-------------|----------------------|-------------|
|  | Number                | Amount      | Number                | Amount      | Number               | Amount      |
| a Authorised Equity Share Capital( Par Value per Share Rs. 10)                         | 50,000.00             | 5.00        | 50,000.00             | 5.00        | 50,000.00            | 5.00        |
| b Issued Subscribed and fully paid up Equity Share Capital(Par Value per Share Rs. 10) | 50,000.00             | 5.00        | 50,000.00             | 5.00        | 50,000.00            | 5.00        |
| <b>Total</b>   | <b>50,000.00</b>      | <b>5.00</b> | <b>50,000.00</b>      | <b>5.00</b> | <b>50,000.00</b>     | <b>5.00</b> |

INR in Lakhs

| Reconciliation of No of equity share and share capital outstanding  | As at 31st March 2018 |        | As at 31st March 2017 |        | As at 1st April 2016 |        |
|---|-----------------------|--------|-----------------------|--------|----------------------|--------|
|   | Number                | Amount | Number                | Amount | Number               | Amount |
| d Opening share capital   | 50,000.00             | 5.00   | 50,000.00             | 5.00   | 50,000.00            | 5.00   |
| Add: No of Shares/ Share Capital issued/ subscribed during the year | -                     | -      | -                     | -      | -                    | -      |
| Closing share capital   | 50,000.00             | 5.00   | 50,000.00             | 5.00   | 50,000.00            | 5.00   |

**e Terms / Rights attached to equity shares**

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of an equity share is entitled to one vote per share.

**f Shares held by each shareholder holding more than 5 percent shares specifying the number of shares held**

| Name of the Shareholders            | As at 31st March 2018 |              | As at 31st March 2017 |              | As at 1st April 2016 |              |
|-------------------------------------|-----------------------|--------------|-----------------------|--------------|----------------------|--------------|
|                                     | No. of shares         | % of holding | No. of shares         | % of holding | No. of shares        | % of holding |
| Cerebra Integrated Technologies Ltd | 35,000                | 70           | 35,000                | 70           | 35,000               | 70           |
| Gururaj K Upadhya                   | 2,500                 | 5            | 2,500                 | 5            | 2,500                | 5            |
| P.Bharath                           | 2,500                 | 5            | 2,500                 | 5            | 2,500                | 5            |
| P.Vishwamurthy                      | 2,500                 | 5            | 2,500                 | 5            | 2,500                | 5            |
| Shridhar S Hegde                    | 2,500                 | 5            | 2,500                 | 5            | 2,500                | 5            |
| Uma Ranganathan                     | 2,500                 | 5            | 2,500                 | 5            | 2,500                | 5            |
| V Ranganathan                       | 2,500                 | 5            | 2,500                 | 5            | 2,500                | 5            |



| 9   | Particulars  | As at<br>31st March 2018 | As at<br>31st March 2017 | As at<br>1st April 2016 |
|-----|--|--------------------------|--------------------------|-------------------------|
| i)  | <b>Retained Earnings/Surplus</b>   |                          |                          |                         |
|     | Balance as per last financial Statement  | 13.65                    | 42.40                    | 42.40                   |
|     | Add:- Profit/ ( loss) for the year   | -10.74                   | -28.75                   | -                       |
|     | <b>Balance as on balance sheet date</b>  | <b>2.91</b>              | <b>13.65</b>             | <b>42.40</b>            |
| ii) | <b>Fair Value through Other Comprehensive Income ( FVTOCI)</b>                       |                          |                          |                         |
|     | Balance as per last financial Statement  | -0.56                    | -                        | -                       |
|     | Add:- Other comprehensive income for the year  | 2.12                     | -0.56                    | -                       |
|     | <b>Balance as on balance sheet date</b>  | <b>1.56</b>              | <b>-0.56</b>             | <b>-</b>                |
|     | <b>Total</b>   | <b>4.47</b>              | <b>13.08</b>             | <b>42.40</b>            |
| 10  | <b>Employee Benefit Obligation(Non Current)</b>                                      |                          |                          |                         |
|     | Provision for  |                          |                          |                         |
|     | - Gratuity   | 2.75                     | 2.51                     | 2.92                    |
|     | - Leave Benefits   | 1.34                     | 2.18                     | 2.59                    |
|     | <b>Total</b>   | <b>4.09</b>              | <b>4.69</b>              | <b>5.51</b>             |
| 10  | <b>Borrowings</b>  |                          |                          |                         |
|     | Advance from Holding Company   | 597.23                   | 592.89                   | 612.39                  |
|     | <b>Total</b>   | <b>597.23</b>            | <b>592.89</b>            | <b>612.39</b>           |
| 12  | <b>Trade Payables</b>  |                          |                          |                         |
|     | Total outstanding dues of micro enterprise and small enterprise (Refer Note No: 31)  | -                        | -                        | -                       |
|     | Total outstanding dues of creditors other than micro enterprise and small enterprise | -                        | 0.28                     | 2.87                    |
|     | <b>Total</b>   | <b>-</b>                 | <b>0.28</b>              | <b>2.87</b>             |
| 13  | <b>Other Financial Liabilities</b>   |                          |                          |                         |
|     | Liabilities for expenses   | 5.30                     | 8.08                     | 12.10                   |
|     | <b>Total</b>   | <b>5.30</b>              | <b>8.08</b>              | <b>12.10</b>            |
| 14  | <b>Employee Benefit Obligation</b>   |                          |                          |                         |
|     | Provision for  |                          |                          |                         |
|     | - Gratuity   | 0.14                     | 1.64                     | 0.19                    |
|     | - Leave Benefits   | 0.18                     | 0.15                     | 0.41                    |
|     | - Bonus  | 5.99                     | 6.03                     | 4.60                    |
|     | <b>Total</b>   | <b>6.31</b>              | <b>7.81</b>              | <b>5.20</b>             |
| 15  | <b>Other Current Liabilities</b>   |                          |                          |                         |
|     | Statutory Liabilities  | 99.33                    | 97.41                    | 84.07                   |
|     | <b>Total</b>   | <b>99.33</b>             | <b>97.41</b>             | <b>84.07</b>            |





Cerebra LPO India Limited  
NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31st March 2017

INR In Lakhs

| Note Number | Particulars  | For te YE<br>31.03.2018 | For te YE<br>31.03.2017 |
|-------------|--|-------------------------|-------------------------|
| 16          | Revenue from Operations  |                         |                         |
|             | Sale of Services   | 57.23                   | 107.81                  |
|             | <b>Revenue from operations (Gross)</b>                                 | <b>57.23</b>            | <b>107.81</b>           |
| 17          | Other income   |                         |                         |
|             | Interest income  | 0.11                    | 0.24                    |
|             | Net gain or Loss on Foreign Exchange                                   | 0.01                    | -                       |
|             | Excess Provision Withdrawn   | 0.20                    | -                       |
|             | Profit on sale of asset  | -                       | 0.18                    |
|             | <b>Total</b>   | <b>0.31</b>             | <b>0.42</b>             |
| 18          | Employee Benefit Expenses  |                         |                         |
|             | Salaries and Wages   | 37.35                   | 68.38                   |
|             | Contribution to Provident & Other Funds                                | 2.82                    | 2.83                    |
|             | Staff Welfare expenses   | 0.02                    | 3.25                    |
|             | <b>Total</b>   | <b>40.19</b>            | <b>74.46</b>            |
| 19          | Financial Costs  |                         |                         |
|             | Interest Others  | 1.99                    | -                       |
|             | Other Borrowing Costs  | 0.33                    | 0.56                    |
|             | <b>Total</b>   | <b>2.32</b>             | <b>0.57</b>             |
| 20          | Other Expenses   |                         |                         |
|             | Power and Fuel   | -                       | 0.58                    |
|             | Rent   | 1.44                    | 8.58                    |
|             | Repairs to Others  | 0.06                    | 1.54                    |
|             | Insurance  | -                       | 0.02                    |
|             | Rates & Taxes, excluding taxes on income                               | 1.50                    | 14.97                   |
|             | Legal & Professional Charges*  | 1.39                    | 1.10                    |
|             | Fees to home transcriptionist  | 16.16                   | 25.73                   |
|             | Travelling and Conveyance  | 0.34                    | 0.91                    |
|             | Communication expenses   | 0.59                    | 2.11                    |
|             | Transportation Charges   | -                       | 1.51                    |
|             | Net Loss on foreign exchange   | -                       | 0.18                    |
|             | Miscellaneous Expenses   | 0.10                    | 0.52                    |
|             | <b>Total</b>   | <b>21.56</b>            | <b>57.76</b>            |
|             | <b>*Legal &amp; Professional Charges Includes auditor remuneration</b> |                         |                         |
|             | Particulars  |                         |                         |
|             | Audit Fees   | 0.75                    | 0.75                    |
|             | Out of Pocket Expenses   | -                       | 0.02                    |
|             | <b>Total</b>   | <b>0.75</b>             | <b>0.77</b>             |
| 21          | Other Comprahensive Income   |                         |                         |
|             | Remeasured Unrealised actuarial gain/(loss)                            | 2.12                    | -0.56                   |
|             | <b>Total</b>   | <b>2.12</b>             | <b>-0.56</b>            |



In preparing its opening Ind AS balance sheet as at April 1, 2016, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act ("Previous GAAP").

#### A Exemptions from retrospective application

The company has applied the following exemptions :

##### ii Property, plant and equipment and intangible assets – Deemed Cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for decommissioning liabilities included in the cost of property, plant and equipment (Para D7AA of Appendix D).

#### B Reconciliations between Previous GAAP and Ind AS:

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flow for the prior periods. The following table represent the reconciliation from previous GAAP to Ind AS.

##### Reconciliation of total equity as at 31 March 2017 and 1st April 2016

|                            | Notes to first time adoption | INR in Lakhs |            |
|----------------------------|------------------------------|--------------|------------|
|                            |                              | 31-03-2017   | 01-04-2016 |
| Total Equity               |                              | 18.08        | 47.40      |
| Adjustments                |                              | -            | -          |
| Nil                        |                              | -            | -          |
| Total Adjustments          |                              | -            | -          |
| Total Equity as per Ind AS |                              | 18.08        | 47.40      |

##### Reconciliation of Total Comprehensive Income as on 31st March 2017

|   | Notes to first time adoption | INR in Lakhs |  |
|---|------------------------------|--------------|--|
|   |                              | 31-03-2017   |  |
| Profit as after Tax as per previous GAAP            |                              | -29.32       |  |
| Adjustments   |                              |              |  |
| Remeasurement of Post employment benefit obligation | 1                            | 0.56         |  |
| Total Adjustment                                    |                              | 0.56         |  |
| Profit as after Tax as per Ind AS                   |                              | -28.75       |  |
| Other comprehensive Income                          | 1                            | -0.56        |  |
| Total comprehensive Income as per Ind AS            |                              | -29.32       |  |

##### Impact of Ind AS adoption on the statement of cash flow for the year ended 31 March 2017

|  | INR in Lakhs  |             |        |
|--|---------------|-------------|--------|
|  | Previous GAAP | Adjustments | Ind AS |
| Net cash flow from operating activities              | -1.00         | -           | -1.00  |
| Net cash flow from investing activities              | 0.24          | -           | 0.24   |
| Net cash flow from financing activities              | -0.00         | -           | -0.00  |
| Net increase/(Decrease) in cash and cash equivalents | -0.76         | -           | -0.76  |
| Cash and Cash equivalents as at 1 April 2016         | 2.81          | -           | 2.81   |
| Cash and Cash equivalents as at 31 March 2017        | 2.05          | -           | 2.05   |

##### Notes for first time adoption for Ind As

##### 1 Remeasurement of post-employment benefit obligation

Under Ind AS, remeasurement i.e. actuarial gains or losses and the return on plan assets, excluding amounts included in the net interest expenses on the net defined benefit liability are recognised in the other comprehensive income instead in Statement of profit or loss. Under the previous GAAP, these remeasurments were forming a part of the profit or loss for the year and as a result of this change, the profit for the year ended March 31, 2017 has increased by Rs. 0.56 Lakhs. There is no impact on total equity





INR in Lakhs

Note No. 23

|   | 31-03-2018 | 31-03-2017 | 01-04-2016 |
|---|------------|------------|------------|
| Contingent Liabilities (to the extent not provided for) | -          | -          | -          |

Note No. 24

Trade Receivables referred to in Note No. 5 includes Rs.682.15 Lakhs (31.03.2017 Rs. 682.15 Lakhs, 01.04.2016 Rs.682.15 Lakhs) outstanding for substantial period. Based on the discussions with these parties the management is confident of recovering these dues and hence no provision has been made in the books

Note No. 25

#### Operating Lease

The minimum future lease rentals payable in respect of non-cancellable leases entered into by the Company to the extent of minimum guarantee amount are as follows:-

INR in Lakhs

| Particulars*                                      | 31-03-2018 | 31-03-2017 | 01-04-2016 |
|---|------------|------------|------------|
| Not Less than one year                            | 1.44       | 1.44       | 7.50       |
| Later than one year but not later than five years | 5.76       | 5.76       | -          |
| Later than five years                             | -          | -          | -          |

#### Expenses recognised in the Statement of Profit and Loss:

INR in Lakhs

| Particulars      | 31-03-2018  | 31-03-2017  |
|------------------|-------------|-------------|
| Fixed Rentals    | 1.44        | 8.58        |
| Contingent rents | -           | -           |
| <b>Total</b>     | <b>1.44</b> | <b>8.58</b> |



## a) Financial instruments by category:

As on March 31, 2018

INR in Lakhs

| Particulars                       | FVTPL | FVOCI | Amortised Cost | Total Carrying Value |
|-----------------------------------|-------|-------|----------------|----------------------|
| <b>Financial Assets</b>           |       |       |                |                      |
| <b>Not measured at fair value</b> |       |       |                |                      |
| Loans and Advances                | -     | -     | 0.07           | 0.07                 |
| Trade Receivable                  | -     | -     | 693.70         | 693.70               |
| Cash and Cash Equivalents         | -     | -     | 0.80           | 0.80                 |
| <b>Total</b>                      | -     | -     | 694.57         | 694.57               |
| <b>Financial Liabilities</b>      |       |       |                |                      |
| <b>Not Measured at Fair value</b> |       |       |                |                      |
| Borrowings                        | -     | -     | 597.23         | 597.23               |
| Trade Payable                     | -     | -     | -              | -                    |
| Other Financial Liabilities       | -     | -     | 5.30           | 5.30                 |
| <b>Total</b>                      | -     | -     | 602.53         | 602.53               |

As on March 31, 2017

INR in Lakhs

| Particulars                       | FVTPL | FVOCI | Amortised Cost | Total Carrying Value |
|-----------------------------------|-------|-------|----------------|----------------------|
| <b>Financial Assets</b>           |       |       |                |                      |
| <b>Not measured at fair value</b> |       |       |                |                      |
| Loans and Advances                | -     | -     | 0.03           | 0.03                 |
| Trade Receivable                  | -     | -     | 694.08         | 694.08               |
| Cash and Cash Equivalents         | -     | -     | 2.05           | 2.05                 |
| <b>Total</b>                      | -     | -     | 696.15         | 696.15               |
| <b>Not Measured at Fair value</b> |       |       |                |                      |
| Borrowings                        | -     | -     | 592.89         | 592.89               |
| Trade Payable                     | -     | -     | 0.28           | 0.28                 |
| Other Financial Liabilities       | -     | -     | 8.08           | 8.08                 |
| <b>Total</b>                      | -     | -     | 601.25         | 601.25               |

As on April 1, 2016

INR in Lakhs

| Particulars                       | FVTPL | FVOCI | Amortised Cost | Total Carrying Value |
|-----------------------------------|-------|-------|----------------|----------------------|
| <b>Not measured at fair value</b> |       |       |                |                      |
| Loans and Advances                | -     | -     | 25.03          | 25.03                |
| Trade Receivable                  | -     | -     | 703.48         | 703.48               |
| Cash and Cash Equivalents         | -     | -     | 2.81           | 2.81                 |
| <b>Total</b>                      | -     | -     | 731.31         | 731.31               |
| <b>Not Measured at Fair value</b> |       |       |                |                      |
| Borrowings                        | -     | -     | 612.39         | 612.39               |
| Trade Payable                     | -     | -     | 2.87           | 2.87                 |
| Other Financial Liabilities       | -     | -     | 12.10          | 12.10                |
| <b>Total</b>                      | -     | -     | 627.36         | 627.36               |

## b) Fair Value hierarchy

The Company has not disclosed the fair value of financial instruments such as trade receivables, trade payables, short term loans, deposits etc, because their carrying amounts are a reasonable approximation of fair value. Company had no other financial assets or liabilities during the year under review.

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

a) Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices in an active market. This included listed equity instruments, traded debentures and mutual funds that have quoted price. The fair value of all equity instruments (including debentures) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

b) Level 2: Level 2 hierarchy includes financial instruments that are not traded in an active market (for example, traded bonds/ debentures, over the counter derivatives). The fair value in this hierarchy is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2

c) Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Financial instruments such as unlisted equity shares, loans are included in this hierarchy.





## Risk management framework

The company's activities expose it to market risk (including currency risk, and other price risk), liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk

The company's risk management is carried out by finance department under policies approved by the Board of Directors, the finance department identifies, evaluates and hedges financial risks in close co-operation with the company's operating units. The board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk,

### A) Market Risk

#### i) Foreign Currency Risk

Foreign currency risk arises from future commercial transactions and recognized assets or liabilities denominated in a currency that is not the Company's functional currency (INR).

The exposure of the Company to foreign currency risk is not significant. However, this is closely monitored by the Management to decide on the requirement of hedging. The position of foreign currency exposure to the Company as at the end of expressed in INR Million are as follows :

| Currency             | INR in Lakhs |          |
|----------------------|--------------|----------|
|                      | Receivables  | Payables |
| As on March 31, 2018 |              |          |
| US Dollars (USD)     | 683.23       | -        |
| As on March 31, 2017 |              |          |
| US Dollars (USD)     | 683.47       | -        |
| As on April 1, 2016  |              |          |
| US Dollars (USD)     | 683.35       | -        |

### B) Credit Risk

Credit risk arises when a counter party defaults on contractual obligations resulting in financial loss to the company.

Trade receivables consist of large number of customers, spread across diverse industries and geographical areas. In order to mitigate the risk of financial loss from defaulters, the Company has an ongoing credit evaluation process in respect of customers who are allowed credit period. In respect of walk-in customers the company does not allow any credit period and therefore, is not exposed to any credit risk.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 60 days past due.

| Details of outstanding trade receivables | INR in Lakhs  |  |                       |
|--|---------------|--|-----------------------|
|  | Upto 6 Months | More than 6 Months but less than 3 years | More than Three Years |
| As on 31-03-2018                         | 10.46         | -  | 683.23                |
| As on 31-03-2017                         | 11.54         | -  | 682.53                |
| As on 01-04-2016                         | 21.33         | -  | 682.15                |

#### Reconciliation of loss allowance provision – Trade receivables

|                                     | INR in Lakhs |
|-------------------------------------|--------------|
| Loss Allowance as on April 1, 2016  | 28.70        |
| Changes in Loss Allowance           | -            |
| Loss Allowance as on March 31, 2017 | 28.70        |
| Changes in Loss Allowance           | -            |
| Loss Allowance as on March 31, 2018 | 28.70        |

#### Details of allowance debited to Statement of profit and loss

| Particulars                   | INR in Lakhs  |               |
|-------------------------------|---------------|---------------|
|                               | YE 31.03.2018 | YE 31.03.2018 |
| Trade receivables written off | -             | -             |

### C) Liquidity Risk

The Company has a liquidity risk management framework for managing its short term, medium term and long term sources of funding vis-à-vis short term and long term utilization requirement. This is monitored through a rolling forecast showing the expected net cash flow, likely availability of cash and cash equivalents, and available undrawn borrowing facilities.



## ii) Maturities of financial liabilities

The table below analyses the company's all financial liabilities into relevant maturity based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows.

### Contractual maturities of financial liabilities:

As on March 31, 2018

| Financial Liabilities            | INR in Lakhs          |                       |                    |
|----------------------------------|-----------------------|-----------------------|--------------------|
|                                  | Not Later than 1 year | Between 1 and 5 years | Later than 5 Years |
| i) Borrowings                    | 597.23                | -                     | -                  |
| ii) Trade Payable                | -                     | -                     | -                  |
| iii) Other Financial Liabilities | 5.30                  | -                     | -                  |

As on March 31, 2017

| Financial Liabilities            | INR in Lakhs          |                       |                    |
|----------------------------------|-----------------------|-----------------------|--------------------|
|                                  | Not Later than 1 year | Between 1 and 5 years | Later than 5 Years |
| i) Borrowings                    | 592.89                | -                     | -                  |
| ii) Trade Payable                | 0.28                  | -                     | -                  |
| iii) Other Financial Liabilities | 8.08                  | -                     | -                  |

As on April 1, 2016

| Financial Liabilities            | INR in Lakhs          |                       |                    |
|----------------------------------|-----------------------|-----------------------|--------------------|
|                                  | Not Later than 1 year | Between 1 and 5 years | Later than 5 Years |
| i) Borrowings                    | 612.39                | -                     | -                  |
| ii) Trade Payable                | 2.87                  | -                     | -                  |
| iii) Other Financial Liabilities | 12.10                 | -                     | -                  |





**Note No 28: Related Party Disclosure**

**a) Related Parties**

| Name                                    | Nature          |
|---|-----------------|
| Cerebra Integrated Technologies Limited | Holding Company |
| Cerebra Middle East FZCO                | Co- Subsidiary  |

**b) Key Management Personal**

| Name             | Designation |
|------------------|-------------|
| V. Ranganathan   | Director    |
| P. Vishwamurthy  | Director    |
| Shridhar S Hegde | Director    |

**c) Transaction with Related Parties**

| Particulars                             | Transaction       | INR in Lakhs              |                           |
|---|-------------------|---------------------------|---------------------------|
|   |                   | Year ended<br>31-Mar-2018 | Year ended<br>31-Mar-2017 |
| Cerebra Integrated Technologies Limited | Loan Taken (Net)  | 2.90                      | 0                         |
| Cerebra Integrated Technologies Limited | Loan Repaid (Net) | -                         | 20.58                     |
| Cerebra Integrated Technologies Limited | Rent Paid         | 1.44                      | 1.08                      |

**d) Balance with Related Parties**

| Particulars                             | INR in Lakhs |            |            |
|---|--------------|------------|------------|
|   | 31-03-2018   | 31-03-2017 | 01-04-2016 |
| Cerebra Integrated Technologies Limited | 597.23       | 592.89     | 612.39     |



i) Changes in present value of obligation

INR in Lakhs

| Particulars   | Year ended 31st<br>March 2018 | Year ended 31st<br>March 2017 |
|---|-------------------------------|-------------------------------|
| Present Value of Funded Obligation                        | -                             | -                             |
| Fair Value of plan asset                                  | -                             | -                             |
| Net Fund Obligation                                       | -                             | -                             |
| Present Value of unfunded defined benefit obligation      | 2.89                          | 4.15                          |
| Amounts not recognised due to asset limit                 | -                             | -                             |
| Net defined liability/(asset) recognised in balance sheet | 2.89                          | 4.15                          |
| Net defined liability/(asset) Bifurcated as follows       |                               |                               |
| Current Liability   | 0.14                          | 0.27                          |
| Non-current Liability                                     | 2.75                          | 3.88                          |

ii) Expenses to be recognised in Statement of profit or loss account

INR in Lakhs

| Particulars  | Year ended 31st<br>March 2018 | Year ended 31st<br>March 2017 |
|--|-------------------------------|-------------------------------|
| Current Service Cost                                   | 0.97                          | 0.84                          |
| Past Service Cost                                      | -                             | -                             |
| Administration Expenses                                | -                             | -                             |
| Interest on net defined benefit liability/(Asset)      | 0.29                          | 0.24                          |
| (Gain)/Losses on settlement                            | -                             | -                             |
| Total expenses to be charged to profit or loss account | 1.26                          | 1.08                          |

iii) Amount recorded in Other Comprehensive Income

INR in Lakhs

| Particulars  | Year ended 31st<br>March 2018 | Year ended 31st<br>March 2017 |
|--|-------------------------------|-------------------------------|
| Opening amount recognized in OCI outside profit and loss account | 0.26                          | -0.31                         |
| Remeasurements during the period due to:                         |                               |                               |
| Changes in financial assumptions                                 | -0.20                         | 0.29                          |
| Changes in demographic assumptions                               | -                             | -                             |
| Experience adjustments   | -1.92                         | 0.27                          |
| Actual return on plan assets less interest on plan assets        | -                             | -                             |
| Adjustment to recognize the effect of asset ceiling              | -                             | -                             |
| Closing amount recognized in OCI outside profit and loss account | -1.86                         | 0.25                          |

iv) Movement in Benefit Obligation

INR in Lakhs

| Particulars  | Year ended 31st<br>March 2018 | Year ended 31st<br>March 2017 |
|--|-------------------------------|-------------------------------|
| Opening of defined benefit obligation                                  | 4.15                          | 3.10                          |
| Current service cost   | 0.97                          | 0.83                          |
| Past service cost  | -                             | -                             |
| Interest on defined benefit obligation                                 | 0.28                          | 0.24                          |
| Remeasurements due to:   |                               |                               |
| Actuarial loss / (gain) arising from change in financial assumptions   | -0.20                         | 0.29                          |
| Actuarial loss / (gain) arising from change in demographic assumptions | -                             | -                             |
| Actuarial loss / (gain) arising on account of experience changes       | -1.92                         | 0.27                          |
| Benefits paid  | -                             | -0.58                         |
| Liabilities assumed / (settled)*                                       | -0.40                         | -                             |
| Liabilities extinguished on settlements                                | -                             | -                             |
| Closing of defined benefit obligation                                  | 2.88                          | 4.15                          |

v) Key Assumptions

| Particulars                    | Year ended 31st<br>March 2018                        | Year ended 31st<br>March 2017                        |
|--------------------------------|--|--|
| Discount Rate(p.a.)            | 7.80%  | 7.20%  |
| Salary Escalation Rate(p.a.)   | 7.00%  | 7.00%  |
| <b>Demographic Assumptions</b> |  |  |
| Retirement Age                 | 58 Years   | 58 Years   |
| Mortality Table                | Indian Assured<br>Lives Mortality<br>Table( 2006-08) | Indian Assured<br>Lives Mortality<br>Table( 2006-08) |
| <b>Leaving service rates</b>   |  |  |
| <b>Age</b>                     |  |  |
| 21-30                          | 15%  | 15%  |
| 31-44                          | 10%  | 10%  |
| 35-44                          | 5%   | 5%   |
| 45-50                          | 3%   | 3%   |
| 51-54                          | 2%   | 2%   |
| 55-57                          | 1%   | 1%   |





Note No 30: Balances of trade receivables, advances, trade payable accounts are subject to confirmation.

**Note No 31: Due to Micro, Small & Medium Enterprises:**

As per the records maintained by the company there are no dues to the micro, small & medium enterprises as on the date of balance sheet.

**Disclosure under required under MSME Act, 2006.**

INR in Lakhs

| Sl.No. | Particulars  | 31-Mar-18 | 31-Mar-17 | 01-Apr-16 |
|--------|--|-----------|-----------|-----------|
| a.     | The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year;   | Nil       | Nil       | Nil       |
| b.     | The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;  | Nil       | Nil       | Nil       |
| c.     | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;  | Nil       | Nil       | Nil       |
| d.     | The amount of interest accrued and remaining unpaid at the end of each accounting year; and  | Nil       | Nil       | Nil       |
| e.     | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | Nil       | Nil       | Nil       |

**Note No 32: Earnings Per Share**

INR in Lakhs

| Sl No | Particulars   | Year ended 31st March 2018 | Year ended 31st March 2017 |
|-------|---|----------------------------|----------------------------|
|       | <b>Basic and diluted Earnings Per Share</b>   |                            |                            |
|       | Profit after tax  | -10.74                     | -28.75                     |
|       | Weighted number of equity shares considered for calculation of basic earnings per share | 50,000                     | 50,000                     |
|       | Earnings Per share- Basic and diluted   | -21.48                     | -57.51                     |

Note No 33 : Defererd tax benefits are not recognised as the Company is incurrimng losses .

Note No 34: Figures in bracket relates to previous year.

For Ishwar & Gopal  
Chartered Accountants

  
S. Bhaskar  
Partner  
M.No. 205977  
Firm Reg. No: 0011545

As per our attached report of even date

  
V. Ranganathan  
Director  
DIN : 01247305

  
Shridhar S Hegde  
Director  
DIN: 01247342

Place: Bengaluru,  
Dated: 30th May 2018

**ISHWAR & GOPAL**  
Chartered Accountants  
Sri Vinayaka Building  
21/3 T.S.P. Road, Kalasipalyam  
BANGALORE-560 002